

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

Financial Statements
With Accountant's Review/Attestation report
As of and for the Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/22/07

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

Annual Financial Statements
With Accountant's Review Report
As of and for the Year Ended
December 31, 2006

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INDEPENDENT ACCOUNTANT'S REPORT

June 29, 2007

To Mike Zito
Port Allen City Marshal
Port Allen, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Port Allen, a component of the City of Port Allen, as of and for the year ended December 31, 2006, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. All information included in these financial statements is the representation of the management of the Port Allen City Marshal.

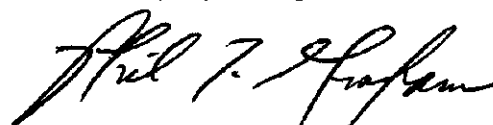
My review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of the Port Allen City Marshal's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedule 1 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

Management's discussion and analysis, supplementary information required by the Governmental Accounting Standards Board, is not a required part of the basic financial statements. The Port Allen City Marshal of West Baton Rouge Parish has not presented this information as part of the financial report for the years ended December 31, 2006.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated June 29, 2007, on the results of my agreed-upon procedures for compliance with laws and regulations.



ANNUAL FINANCIAL STATEMENTS
(OVERVIEW)

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	<u>2006</u>
<u>ASSETS</u>	
Cash & cash equivalents	\$ 66,106
Certificates of deposit	50,000
LAMP investment	108,843
Due from other governmental agencies	19,230
Prepaid insurance	4,761
Capital Assets (Net of Accumulated Depreciation)	<u>22,452</u>
<u>Total Assets</u>	<u>\$ 271,392</u>
<u>Fund Equity:</u>	
Investment in general	
fixed assets	22,452
Fund balances	
(unreserved)	<u>248,940</u>
<u>Total Liabilities</u>	
<u> and Fund Equity</u>	<u>\$ 271,392</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

<u>EXPENDITURES</u>	<u>2006</u>
General governmental:	
Deputy Marshal fees paid	\$ 75,827
Other salaries	20,250
Auto expense	11,564
Repairs and maintenance	4,721
Seminars and conventions	6,268
Payroll taxes and worker compensation	1,689
Training	105
Uniforms	676
Depreciation	4,919
Office expense and supplies:	
Office expense	2,586
Insurance	433
Supplies	1,653
Dues and subscriptions	660
Legal and accounting	3,690
Miscellaneous	<u>238</u>
Total Expenditures	135,279
<u>REVENUES</u>	
City court fines and off-duty reimbursement	210,944
Witness fees	10,867
Grant funds for capital additions	1,186
Interest income	<u>5,117</u>
Total Revenues	<u>228,114</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 92,835</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>178,557</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 271,392</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
BALANCE SHEET GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>2006</u>
<u>ASSETS</u>	
Cash & cash equivalents	\$ 66,106
Certificates of deposit	50,000
LAMP investment	108,843
Due from other governmental agencies	19,230
Prepaid insurance	<u>4,761</u>
Total Assets	<u>\$ 248,940</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
<u>Fund Equity:</u>	
Fund Balances (unreserved)	<u>248,940</u>
 <u>Total Liabilities and Fund Equity</u>	 <u>\$ 248,940</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

Fund Balance at December 31, 2006--Governmental Funds (Statement C)	\$248,940
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Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

Cost of Capital Assets at December 31, 2006	\$ 39,300	
Less Accumulated Depreciation as of December 31, 2006	(16,848)	22,452

Net Assets at December 31, 2006	\$271,392
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See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND TYPE-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006

<u>REVENUES</u>	<u>2006</u>
City court fines and off-duty reimbursement	\$ 210,944
Witness fees	10,867
Grant funds for capital additions	1,186
Interest income	<u>5,117</u>
Total Revenues	<u>228,114</u>
<u>EXPENDITURES</u>	
General governmental:	
Deputy Marshal fees paid	75,827
Other salaries	20,250
Auto expense	11,564
Repairs and maintenance	4,721
Seminars and conventions	6,268
Payroll taxes and worker compensation	1,689
Training	105
Uniforms	676
Capital outlay	3,079
Office expense and supplies:	
Office expense	2,586
Insurance	433
Supplies	1,653
Dues and subscriptions	660
Legal and accounting	3,690
Miscellaneous	<u>238</u>
Total Expenditures	133,439
<u>CHANGE IN FUND BALANCE</u>	<u>94,675</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>154,265</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 248,940</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Net changes in fund balances—Total governmental fund (Statement B) \$ 92,835

Amounts reported for governmental activities in the statement of
net assets are different because:

Governmental funds report capital outlays as expenditures. In the
statement of activities, the costs of those assets is allocated over
the estimated useful lives as depreciation expense.

Depreciation expense over capital expenditure 1,840

Changes in net assets of governmental activities (Statement E) \$ 94,675

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City Marshal is a component unit of the City of Port Allen, Port Allen, Louisiana. The City Marshal's office receives its revenue from City Court fines. The City Marshal's portion of these fines are received and deposited monthly. The accompanying financial statements present information only on the City Marshal component unit fund and do not present information on the City of Port Allen or any of the other governmental units that comprise the City of Port Allen.

B. Basis of Presentation

The accompanying financial statements of the City Marshal Mike Zito, Port Allen, Louisiana, have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles.

Basic Financial Statements—Government-Wide Statements

The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Marshal had no activities that are categorized as business type activities.

In the government-wide Statement of Net Assets, the governmental activity column is presented on a consolidated basis by column, and is reported on a full accrual, economic basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts: invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

The government-wide Statement of Activities reports both gross and net costs of the Marshal's function. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. These revenues are derived from fees charged for services. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

The Marshal does not allocate indirect costs.

The government-wide focus is more on the sustain ability of the Marshal as an entity and the change in the Marshal's net assets resulting from the current year's activities.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Basic Financial Statements--Fund Financial Statements

The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements. The funds and account groups used by the Marshal are as follows:

Governmental Fund Types

Governmental funds are those through which general governmental functions of the Marshal are financed. The acquisition, use, and balances of the Marshal's expendable financial resources and the related liabilities are accounted for through governmental funds. The general fund is the principal fund of the Marshal. General operating expenditures are paid from this fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

Accrual:

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Marshal consist principally of interest income and fines and fees for services relating to court filings. Interest income is recognized when earned. Fines and fees for services are recorded when the amount is determinable.

Modified accrual:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement, focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Those revenues of the Marshal susceptible to accrual are fees due from the City of Port Allen and other governmental units. Substantially all other revenues are recorded when received. Depreciation is not recognized in the Governmental Fund Financial Statements.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing time deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less.

Louisiana revised statutes authorize the Marshal to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-RS 39:1271, or any other federally insured investments, or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies

E. Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5 to 10 years
Vehicles	5 years
Equipment	5 to 10 years

F. Allowance for Uncollectible Receivables

The financial statements for the Marshal do not contain an allowance for uncollectible receivables. All receivables that are considered uncollectible are recorded as a bad debt expense in the period that they become uncollectible.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

G. Vacation and Sick Leave

Currently all Deputy Marshal services and secretarial services are provided on a contract type basis with fees paid to the individuals when services are provided. The Marshal's office does not have any employees under this arrangement and consequently does not have any vacation or sick leave obligation.

H. Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principle and interest payments for long-term obligations are recognized in the General Fund when due. There were no long-term obligations as of December 31, 2006.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by any debt proceeds used for the acquisition of those assets, if any. Net assets are reported as restricted when there are legal limitations imposed on their use. The Marshal has no restricted net assets.

J. Budget Practices

Formal budgetary accounting is employed as a management control devise during the year for the general fund. The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

NOTE #2: CASH AND CASH EQUIVALENTS

At December 31, 2006 City Marshal Mike Zito had cash and cash equivalents (book balances) totaling \$116,106 as follows:

Demand deposit	\$ 66,106
Certificates of deposit	<u>50,000</u>
	<u>\$116,106</u>

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #2: CASH AND CASH EQUIVALENTS (CONTINUED)

acceptable to both parties.

All of the balances in the bank accounts were covered with federal deposit insurance during the year ended December 31, 2006.

The remaining balances of \$108,843 was held in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2006 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33-2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States Corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE #3: CHANGES IN CAPITAL ASSETS

	<u>12/31/2005</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>12/31/2006</u>
Furniture and equipment	\$ 36,220	3,079		\$ 39,299
Accumulated Depreciation	(11,928)	(4,919)		(16,847)
Total	<u>\$ 24,292</u>	<u>(1,840)</u>	<u>0</u>	<u>\$ 22,452</u>

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE #3: CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended December 31, 2006 was \$4,919.

NOTE #4: LITIGATION AND CLAIMS

There is no litigation pending against City Marshal Mike Zito, Port Allen, Louisiana, at December 31, 2006.

NOTE #5: DUE FROM OTHER GOVERNMENTAL AGENCIES

Receivables in the amount of \$19,230, represent court fines and off-duty reimbursements due from the City of Port Allen as of December 31, 2006. The total amount of these funds are considered collectible; therefore, no provisions have been made for bad debt.

NOTE #6: RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$21,939 for the clerical salary and related benefit expenses during 2006. The City Marshal's salary is paid by the City of Port Allen. In addition to salary, the Marshal received \$9,000 auto allowance during the years ended December 31, 2006, which is paid form the City Marshal's budget. The City of Port Allen provides office facilities for the City Marshal.

NOTE #7: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

NOTE #8: RISK MANAGEMENT

The City Marshal's office is exposed to various risks for which the City of Port Allen carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE #9: TERM OF OFFICE

Mike Zito is the current City Marshal. Marshal Zito took over the unexpired term of the previous City Marshal on September 28, 2005. The term runs through December 2008.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
BUDGET COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable)</u>
<u>REVENUES</u>				
City court fines and off-duty reimbursement	\$ 195,000	\$ 195,000	\$ 210,944	\$ 15,944
Witness fees	12,000	12,000	10,867	(1,133)
Grant funds	1,500	1,500	1,186	(314)
Interest income	<u>5,500</u>	<u>5,500</u>	<u>5,117</u>	<u>(383)</u>
	<u>\$ 214,000</u>	<u>\$ 214,000</u>	<u>\$ 228,114</u>	<u>\$ 14,114</u>
<u>EXPENDITURES</u>				
General governmental:				
Deputy Marshal fees paid	80,000	80,000	75,827	4,173
Other salaries	22,000	22,000	20,250	1,750
Auto expense	12,000	12,000	11,564	436
Repairs and maintenance	5,000	5,000	4,721	279
Seminars and conventions	1,500	1,500	6,268	(4,768)
Payroll taxes	0	0	1,689	(1,689)
Training	4,000	4,000	105	3,895
Uniforms	1,000	1,000	676	324
Office expense and supplies:				
Office expense	6,000	6,000	2,586	3,414
Insurance	6,000	6,000	5,194	806
Supplies	1,500	1,500	1,653	(153)
Dues and subscriptions	1,000	1,000	660	340
Legal and accounting	4,000	4,000	3,690	310
Miscellaneous	1,000	1,000	238	762
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>3,079</u>	<u>921</u>
Total Expenditures	149,000	149,000	138,200	10,800
<u>EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES</u>	<u>65,000</u>	<u>65,000</u>	<u>89,914</u>	<u>24,914</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>154,265</u>	<u>154,265</u>	<u>154,265</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 219,265</u>	<u>\$ 219,265</u>	<u>\$ 244,179</u>	<u>\$ 24,914</u>

See Accountant's Report

PHIL T. GRAHAM

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June 29, 2007

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Port Allen City Marshal
Mike Zito
Port Allen, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Port Allen City Marshal and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Port Allen City Marshal's compliance with certain laws and regulations during and for the year ended December 31, 2006, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases exceeding the limit.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS- 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Marshal provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under

examination.

The Marshal provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

The Marshal provided me with a copy of the adopted budget. There were no amendments to the budget for 2006.

6. Trace the budget adoption and amendments to the minute book.

Budget was adopted and published in the required publication.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or expenditures exceed budgeted amounts 5% or more.

I compared the revenues and expenditures of the adopted budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed the budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Determine if payments were properly coded to the correct fund and general ledger account:

All items selected were properly coded.

- c. Determine whether payments received approval from proper authorities:

Inspection of documentation supporting each of the six selected disbursements did not indicate approval.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Meetings are not held by the Port Allen City Marshal's office.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

I inspected listings of bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

As described in note #1 G, there are no employees, only contracted labor. However, I inspected the records for the payments made to the subcontractors for the year and noted no instances which would indicate payments that would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. I reviewed any prior-year suggestions, recommendations and/or comments to determine the extent to which such matters have been resolved.

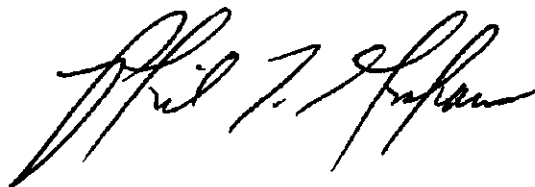
There were no prior year comments or recommendations.

I was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that

Port Allen City Marshal
Mike Zito
June 29, 2007

would have been reported to you.

This report is intended solely for the use of Port Allen City Marshal Mike Zito's office and of the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Phil J. Hefner". The signature is written in a cursive style with a large, stylized initial "P".

LOUISIANA ATTESTATION QUESTIONNAIRE

June 30, 2007

Phil T. Graham, CPA
7732 Goodwood Blvd, Suite F
Baton Rouge, LA 70806

In connection with your review of our financial statements as of December 31, 2006 and for the two years then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2007.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42-1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 30 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60--1410.65.

Yes ☒ No ☐

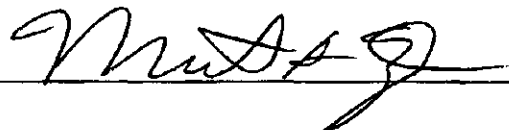
Advances and Bonuses

It is true we have not advances wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG Opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance to your report.

 City Marshal 6-22-07 Date